App. F. IX-4

Previous References 1931-32 (L. M.) File No. 2-31

Serial Nos. 9, 12, 13

Later References

preserve

General and Revenue Secretariat.

Serial Nos. Three. P 57 F

Part B for July 32.

SUBJECT.

Amendment of Byelaw-22 of the bye law of the L. M. Bank

D 137 dt 9.7.32

to Compiler M. B.

Notice re

Serial No.

9. From the Regr of Cs.
No. 7767 of 28/29 - 6-32.
Copies of correspondence with the Presdt. of the L.M. Bank on the subject of the amendment of the Bylaws of the Nagpore Cooperative Bank -

The Regr suggests the addition of a sub-clause (6) to the existing Bylaws the sub-clause running as follows:-

"Notwithstanding anything contained above, the Board of Directors may, at their discretion, refund or otherwise adjust at any time the share amounts paid by any member* whose loan application has been rejected by the Bank either wholly or in part"

The President's suggestion contains the words "who was induced to take up one or more shares in the expectation of getting a loan from the Bank, and" at the place marked * in the above sub-mission, the Regr considers these words superfluous.

Submitted for orders

The Amendment as passed by the Genl Body seems suitable & may be approved. Vide page 17 of the printed Copy of Proceedings

12/5/32

WD 70—GBPM—60,000—13-8-31

Dev. Secy)

Amendment of Bye-laws 22 of the Bye-laws of the L. & N. Bank

General and Revenue Secretariat

File No. 2 of 193/

The amendment proposed by the Registrar goes much further than the proposal of the President of the Bank. The proposal of the President restricts the relief to those cases where share capital is subscribed by an inducement in the shape of a promise of a loan, while the Registrar's suggestion covers all cases of rejected loan applications. It is surely not a healthy proposal to encourage such withdrawals, nor does it seem necessary to incorporate a bye-law which has the effect of nullifying the good intentions of bye-law (22) for the sake of a few disappointed shareholders. Some temporary rule covering only the limited number of these unusual cases may be made. The application of such relief should be limited to one year. The Law Secretary will be consulted as to how best this may be done if the above is accepted.

(1st Amendment)

The above objection 13/5
is not clear to me. The Relief is required in Cases in which loans can not be granted & a shareholders desires to withdraw. I believe the general rule is that only those who desire to take loans become shareholders and and if a person can not get a loan there is no object in his continuing to be a Member - That a person was induced to take shares and that he had hopes of getting a loan are superfluous grounds in the suggested bye-laws and I do not think it is appropriate to include references to inducements and hopes in the rule -

1 No. 7311

11/13

2/1815

Amendment of Bylaws 22
of the Bylaws of the [illegible] Bank

[App. F. III—2

General and Revenue Secretariat — File No.

Serial No.

Draft G.O. & Notification asked for KP 18/5/32

Two Drafts for approval

Taken to the Dev Secy Chairman who directed that the Assistant Secretary may be asked to discuss with him.

2/15 2/31/5

Dev. Secy) Please bring up. 19/6/32

Discussed with Dev Secy. MS 19/5 2/VS

I think we may accept the proposal of the Regr. The Bd of Directors may be trusted to use this power wisely. The by-law does not give any right to a shareholder to withdraw it only authorises the Bd to refund if they consider it advisable to do so

Merely 5/7/32

Issue the Drafts attached in the file.

MS 5/7

2 5/7/32

12 To The Regr of Cs
The R.C.
The Pres. L.M Bank.
D 136-6 dt 9.7.82

Circle the notification of by-law 22 of the Bye laws of the LM Bank.

13 To The compiler, M.G.
D 137 dt 9.7.32

notifying the amendment of bye law 22 of the Bye laws of the LM Bank.

6. JUL 1932 SEC

The Mysore
Co-operative Land Mortgage Bank, Ltd.
Bangalore City

Proceedings of the Second Annual General Meeting

6th December 1931.

BANGALORE CITY

PRINTED AT THE INDIAN PRESS

1932

The Mysore
Co-operative Land Mortgage Bank Ld.
BANGALORE CITY

Proceedings of the Second Annual General Meeting held at the Bank's premises at 8-30 A.M., on 6th December 1931

PRESENT

1 Rajasabhabhushana
Mr. K. R. Srinivasiengar, M.A., *President.*
2 Fakhr-ul-Hukuma
Dr. B. Mahomed Usmon, L.M.S.,
3 Mr. S. Venkatakrishnaiya, B.A., B.L.,
4 „ S. Narayana Rao, of the Mysore Provincial Co-operative Apex Bank
5 „ B. Kempanna, Pleader, Bangalore City
6 „ S. Sajjan Rao, Bangalore City
7 „ H. Venkataramaiya, B.A., B.L., of the Tumkur Land Mortgage Co-operative Society
8 „ B. Rama Rao Bapat, of the Sagar Land Mortgage Co-operative Society
9 „ B. Venkatagiriappa, of the Bhimanakone Land Mortgage Co-operative Society
10 „ V. R. Chickchennanjappa Setty, Kolar
11 „ A. V. Suryanarayana Setty, Arkalgud
12 „ Tudki Ramanna Gowda, Thirthahalli
13 „ B. Gopalachar, Thirthahalli
14 „ M.S. Ramachandra Rao, B.A., B.L., Bangalore
15 „ Sylvester Pais, B.A., Kadur District

16 Mr. Gnanoba Rao Mandre, Bangalore
17 ,, K. Seshagiri Rao, Bangalore
18 ,, M. A. Srinivasiengar, B.A., Bangalore

Mr. K. H. Ramayya, B.A., Bar-at-Law, Registrar of Co-operative Societies in Mysore and Mr. E. V. Ganapati Iyer, B.Sc., Deputy Registrar of Co-operative Societies also attended the meeting by invitation.

The chair was taken by Rajasabhabhushana Mr. K. R. Srinivasiengar, M.A., President of the Bank.

The notice of the meeting having been read by the Secretary, the Chairman enquired if it was necessary to read the Directors' Report copies of which had been already sent to all the members. Mr. S. Venkatakrishnaiya proposed and Mr. S. Narayana Rao seconded that the Annual Report of the Bank, copies of which had been sent to all the members might be taken as read; and this was agreed to by all the members present. The Balance sheet and other statements of accounts together with the Audit Order of the Registrar of Co-operative Societies were then read by the Secretary of the Bank.

The President in moving the adoption of the report, observed that during the comparatively short period that the Bank had been in existence the necessary spade work had been almost completed and that the Bank had

begun to work in right earnest. Loans aggregating to about Rs. 1,00,000 had been sanctioned by the Bank and about Rs. 90,000 and odd had been actually disbursed. A considerable portion of the debenture amount still remained unutilised as great care, caution and scrutiny had to be exercised in sanctioning loans to the applicants. Many of the applicants seemed to think that loans could be had by them for the mere asking; but as a matter of fact, a large percentage of the applications, nearly 80 per cent had to be rejected, some summarily and the rest after investigation as the applicants had over-estimated the value of the lands proposed to be offered by them as security or could not properly establish their title to such lands.

The Bank had also to be satisfied not only that the security offered for the loan was adequate, but also that the applicant was creditworthy and had sufficient means to regularly pay the annual instalments towards the redemption of the loan. A good many applications had also to be rejected as the maximum loan which could be granted to the applicants under the Rules with due regard to the value of the security offered was found insufficient to meet all or even the major portion of their previous debts and free them from indebtedness. Further most of the applications received from the

Saklespur Taluk were for loans on the security of coffee estates. As the value of coffee lands is subject to periodical fluctuations and as the grant of loans on the security of these lands might result in the Bank's having to lend further sums for the maintenance and upkeep of the estates, it was decided—as a matter of policy—not to grant loans generally on the security of coffee estates and to confine such loans to rare and exceptional cases wherein the applicants were prepared to offer other collateral security also in addition and were themselves attending personally to the cultivation of the estates without being obliged to resort to loans annually for meeting their working expenses.

The President observed that he wished that more representatives of the Societies had been present at the meeting to enable him to explain to them the principles by which they should be governed in dealing with loan applications received by them from their members. He said that every Society, before sending up any loan application with its recommendation, should satisfy itself that the various conditions (which had been laid down in the circulars issued by the Bank from time to time) were satisfied and it should itself reject summarily any application which does not satisfy the conditions, without sending it

up to the Bank. Every case of rejection by the Bank of an application sent to it by a Society evidently meant either that the Society had not gone through the case properly before sending it up or that it did not wish to incur the odium of rejecting the application and wanted to throw the responsibility for its rejection on the Bank. He hoped that in course of time with greater personal contract between the Bank and the representatives of the Societies and as the office-bearers of the Societies come to fully realise their responsibilities and to understand the principles which are to be borne in mind in the grant of loans, there would be no occasion for the rejection by the Bank of any case recommended to it by a Society. The Executive Committee of the Bank which deals with loan applications is well aware that the President, Secretary and other officers of the Societies are all respectable gentlemen doing honorary work in public interests and it is therefore not a pleasant thing for them, but on the other hand it is very painful to them, to have to reject applications coming up from the Societies. He therefore appealed to the office-bearers of Societies to bear these aspects of the question in mind and to take all necessary precautions to ensure that there is not even a single case of rejection among loan applications sent up by them. He

further explained that if the Societies would only send up their loan cases with a full sense and realization of their responsibility, there should be no necessity for a reinvestigation of the cases by the Bank's Valuators or Co-operative Inspectors as at present. Continuing, the Chairman said that, as already observed by him, the amount of loans sanctioned by the Bank amounted to only Rs. 1,00,000 and odd. The Government contribution of one lakh towards the debentures, on which interest was payable only from the date on which and to the extent to which it is drawn upon from time to time, had not yet been utilized. With the help and wholehearted co-operation of the local societies and with the enlargement of the jurisdiction of the Bank which has been recently sanctioned, it was hoped that not only the balance still remaining unspent out of the debenture amount would be spent speedily but that necessity would also soon arise for the floatation of another series of debentures.

The Chairman then observed that although the working expenses of the Bank during the year were borne entirely by Government, the Bank was not able to show any appreciable profit for the year and that this was due to the fact that whatever was earned by the Bank from its investments of the share capital &c., had to be utilized to pay the interest on the

debentures which remained unutilised and which had to be kept in current account in the Government Savings Bank at a low rate of interest for being drawn upon as required from time to time. He hoped that as the debenture amount is fully used up for the grant of loans, as may be expected to be done before the end of the current year, it might be possible to secure sufficient profits to permit of the payment of a dividend to the share-holders.

With regard to the extension of the lending operations of the Bank, the President explained in detail the various factors that should be borne in mind in bringing new areas under the operations of the Bank. Government had recently extended the Bank's operations to some more Taluks but there was demand for extension to other quarters also. The claims of Thirthahalli were being pressed in this connection for a long time and it was hoped that it would be included in the jurisdiction of the Bank in the near future.

In this connection, the President suggested that before the operations of the Land Mortgage Scheme are extended to any area, it was desirable to have a debt survey made and statistics obtained about the total agricultural indebtedness of the tract and the extent to which it can be relieved by the Bank with due

regard to the restrictions to which it is subject under its Bye-laws.

The President then, in placing the balance sheet with the Director's report before the meeting for adoption by the members, invited their remarks thereon and stated that he would be glad to furnish any further information that may be required by them.

Mr. B. Gopalachar of Thirthahalli stated that the Land Mortgage Scheme had worked as a boon in the few Talukus of the Malnad in which the Bank was then operating and complimented the Board on the good work that had been turned out so far by the Bank. He also explained how, with the low rate of 8% interest charged by the Bank on long-term loans, the annual equated instalments towards both principal and interest worked out only at about 9½ per cent which is much lower than what the ryots had been paying for interest alone elsewhere. He felt sure that if only the scheme was extended to Thirthahalli Taluk, not only would the Bank's business increase by the grant of a very large number of loans on good and substantial securities, but that it would also enable the Bank to secure from the monied people of the Taluk a substantial contribution towards the next series of debentures that may be floated by the Bank.

Mr. S. Narayaṅa Rao, Representative of the Mysore Provincial Co-operative Apex Bank, made some remarks about the good work the Bank had turned out during the short time it had been in existence. He stressed the importance of audit, and congratulated the Bank on having had its accounts audited by an auditor of high qualifications. He appealed to the representatives of affiliated Societies for their whole-hearted co-operation and for a proper realisation of their responsibilities. He thanked Government for the support they had given to the institution, and thanked the Registrar of Co-operative Societies for his warm and cordial support. He hoped further that Government would, having regard to the infant stage of the Bank, go on rendering help by meeting part of the working expenses until such time as the Bank was in a position to meet its working expenses fully out of its profits.

Mr. A. V. Suryanarayana Setty of Arkalgud then requested that Arkalgud Taluk might be included in the jurisdiction of the Bank when the question of further extension is taken up.

Mr. Tudki Ramanna Gowda of Thirthahalli requested that the Nagar Taluk which lay between Sagar and Thirthahalli might also be included in the jurisdiction of the Bank.

The President observed that the localities to which the Bank's operations should be extended might well be decided on the result of the debt-survey suggested by him.

Mr. H. Venkataramaiya, President of the Tumkur Land Mortgage Society, stated that the principles on which the loan applications were being dealt with and loans sanctioned, as given, by the President, were no doubt good, but that the Societies and the indebted public somehow felt that the Bank had been so overcautious as to defeat the object with which it was started. It was no doubt necessary that the Bank should be cautious, but that did not mean that it should be too cautious. In the loan applications submitted by individuals to primary societies, the value of the securities offered had often been, no doubt, over estimated. But every Society on receipt of an application for a loan, appointed two of its committee members to investigate the case—who, after finding out the current market value of the lands, fixed their estimated value in the light of their study of land values in the neighbourhood. Afterwards, the same properties were valued by the Valuators of the Bank who had no idea of the surroundings of the applicants' lands and who generally fixed a lower estimate. The Bank, depending solely upon the valuation of the

Valuator, sometimes rejected the application even in deserving cases. The low valuation put by the Valuators prejudiced not only the interests of the Societies but also of the Bank and lowered the committee members in the estimation of the public.

The President explained that the Valuators appointed by the Bank were responsible and disinterested officers and that the Bank had necessarily to give due weight to their reports. In some cases, however, wherein there was reason to think that the estimates put on the properties by the Valuators were unduly low, the Executive Committee of the Bank had accepted the Societies' valuation. The Committee had acted on the principle that, in the best interests of the Bank and for the success of the scheme itself, excess of caution which might perhaps result in the rejection of some deserving cases, was much better than allowing even in a single bad case to be sanctioned from want of caution. The Chairman assured Mr. Venkataramaniya however, that when any Society felt than any application sent up by it had been rejected on inadequate or unsatisfactory grounds, it was quite open for the President of the Society to send up the case with a recommendation for reconsideration and that such recommendation would receive all reasonable consideration at the hands of the Executive Committee of the

Bank. He stressed again, what he had already stated, that the rejection of many of the applications sent up by the Societies was due to want of a proper understanding by them of the principles to be observed in the grant of the loans and that, in course of time with a closer touch between the Societies and the Bank and a better understanding by the Societies of their duties and responsibilities, there should be very few cases of rejection by the Bank of the applications sent to it by the Societies.

Mr. S. Venkatakrishnaiya, B.A.,B.L., explained how loan applications were being dealt with by the Executive Committee of the Bank and pointed out how the estimates given by the Societies and Valuators sometimes exceeded the valuation fixed by the applicants themselves. He detailed the steps taken in the matter of the verification of such cases and the mode of their disposal.

Mr. V. R. Chickchennanjappa Setty of Kolar then congratulated the Bank on the work turned out by it. He observed that for the successful working of the Land Mortgage Scheme, it must be built on a firm and true foundation and that this was what the Bank was attempting to do. He considered that the Directorate of the Bank should consist of representatives of affiliated societies as far as possible and, in this view, he stated that he did

not wish to stand for election to the Directorate as he wished to make room for a representative of one of the Societies.

Mr. E. V. Ganapati Iyer, Deputy Registrar of Co-operative Societies observed that it was true that as stated by Mr. H. Venkataramaiya, the Bank had rejected some loan applications depending upon the valuation of the properties by the Bank's officers and that he had afterwards, during his tours, ascertained that some of the persons whose applications were rejected were creditworthy and reliable persons and were deserving of help. He informed the representatives of the Societies that it was their duty to send up such cases for reconsideration, and bring to notice any mistakes that might have been made by the Valuators in the valuation of the properties or in other matters. He referred to cases which had to be rejected as the titles of the applicants were found defective or the repaying capacity of the applicants were very doubtful and poor, though the security offered was adequate. In scrutinising items of debts incurred by the applicants and mentioned in their loan applications, the Deputy Registrar stated that it had been often found that the number of debts unsubstantiated by documents, such as hand loans, shop accounts &c., were unnecessarily exagerated by some of the applicants so as to leave a

margin of Rs. 200 or Rs. 300 which might be secured for themselves after the discharge of their debts from the loan sanctioned by the Bank. With regard to the extension of the Bank's lending operations, he stated that it was not desirable to include more than 3 or 4 taluks at a time, and that even that should be done after making a debt-survey as suggested by the President.

The President afterwards put the report and the balance sheet to the vote of the general body, and it was unanimously approved.

2. Mr. S. Venkatakrishnaiya next proposed that Mr. S. R. Mandre who had audited the accounts of the Bank last year for a nominal remuneration of Rs. 50 may be elected as auditor on a remuneration of Rs. 75.

After some discussion, the proposition was put to vote and carried *nem-con.*

3. With regard to the amendment proposed to Bye-law No. 39, the President explained in detail the necessity for having a provision to levy investigation fees, in the Bye-laws, though the Bank may not enforce that provision at present.

Mr. S. Venkatakrishnaiya in seconding the Resolution observed that the practice of levying such investigation fees was in existence even in the Apex and other Banks.

Mr. B. Venkatagiriappa, President of the Bhimanakone Land Mortgage Society, stated that the levy by the Bank of such investigation fees would not only cause inconvenience to Societies but also hardship to individual applicants who would have to pay the fee twice, once to the Society and another time to the Bank.

The President having explained that this provision would not be made applicable to the loan cases received through Societies, but only to those received direct in the Bank, it was unanimously resolved that the following addition be made to Bye-law No. 39 of the Bank :—

Bye-law 39 : Add the following at the end of the first sentence, changing the existing full stop into a comma :—

"And shall be accompanied by such fee, not exceeding 1% of the loan applied for, as may be prescribed by the Board of Directors from time to time for meeting the investigation charges: no investigation fee shall however be charged by the Bank in respect of loan applications which are sent up to it by the Societies and on which an investigation fee has been recovered by the Societies."

4. After explaining the necessity for the next amendment, the President put the following proposition to vote :—

Bye-Law 53 : For the existing clause (iii), substitute the following :—

"The balance, if any, may be utilised for the formation of a dividend equalisation fund, staff provident fund, common good fund, the grant of rebates to members who have been punctual in discharging their liabilities to the Bank and such other purposes as may be conducive to the progress and well-being of the Bank; or carried forward to the following year's profit account."

It was unanimously carried.

5. The next proposition that the words "one month" may be altered to "three months" in Bye-law 92 was also unanimously carried.

6. The President then suggested that there were three more propositions of which no previous notice could be given as they had been suggested after the issue of the notice convening the meeting. One was that the Board of Directors of the Bank should be authorised to refund the share amounts of persons who took up or were induced to take up shares in the Bank on the promise held out to them of getting loans in the Bank and whose loan applications were subsequently rejected. The President explained the difficulty that the Bank had been experiencing with regard to such members, from whom communications were being received in the Bank almost every day. He further stated that no notice of this subject could be given to all the members according to bye-law 87

as the Registrar's communication in this matter was received after the issue of the notice of the meeting and, if there was no objection from any of the members present at the meeting, the subject would be placed before them.

Mr. S. Narayana Rao doubted if the subect could be legally dealt with by the General body as no notice of the same had been given to all other members of the Bank. The President having stated that he did not consider it would be illegal for the general body to take up the subject if no one present objected to it, Mr. S. Narayana Rao withdrew his objection and the following propositions were then taken up for consideration and after the President had explained their scope and purpose, they were all passed unanimously :—

(1) That the Board of Directors of the Bank be authorised to refund or otherwise adjust the share amounts paid by such of the members of the Bank who took up or were induced to take up shares in the Bank with the expectation of getting loans and who could not secure the loans required by them in whole or in part.

(2) That Government be moved to amend the Rules on the subject of the investment of loan instalments recovered so as to enable the Bank to utilise the whole or any portion of the amounts recovered for the issue of further loans or investment otherwise, at their discretion.

(3) The Government be requested to amend Sections 59 to 61 of the Mysore Co-operative Societies Regulation so as to provide for the recovery of individual instalments of loans and other small amounts payable to Land Mortgage institution by grantees of Officers, without realising the whole loan as now provided for in the Regulation.

7. With regard to the remaining item in the agenda (*viz.*, the election of the members of the Board of Directors), Mr K. H. Ramayya, B.A., Bar-at-Law Registrar of Co-operative Societies in Mysore, desired to make a few general observations. He said that the term of the first Board of Directors nominated for a period of two years by Government in 1929 having expired, the Directors ought to be elected at the meeting. He stressed for the consideration of the members present, the desirability of having on the Board more representatives of primary societies.

With regard to the working of the Bank, the Registrar observed that the institution had been working on the soundest basis and congratulated the President on having set a model to be copied by all states in India. He referred to the high degree of confidence and trust that the Government had in the President Rajasabhabhushana Mr. K. R. Srinivasiengar, M.A., and read a D. O. letter addressed to him (the Registrar) by the Development Secretary to Government, re-nominating the

Rajasabhabhushana as President of the Board newly to be constituted. He thanked the President for the close and cordial help always given by him in every activity. He also thanked the retiring Directors on behalf of himself and the Deputy Registrar for the valuable services rendered by them to the Bank in its initial stage and wished that every one of them would be re-elected at the election.

Mr. S. Narayana Rao then proposed that with a view to ensure the continuence of the present sound and satisfactory policy in the working of the Bank, the General body recommend to the Government of Mysore that the term of the President of the Bank instead of being fixed for one year, may be extended to three years and that the present President may be nominated for a term of three years instead of one. The resolution was seconded by Mr. S. Venkatakrishnaiya.

The President, in thanking the members for their good wishes, said that he found himself in a delicate position as the resolution was one relating personally to him and he requested the mover not to press the resolution but to leave it to the Registrar who was present there to make a note of their wishes if necessary. As Mr. Narayana Rao was not willing to withdraw the resolution,

and as the other members present insisted on its being recorded, it was put to vote and carried with acclamation.

8. The election of the Directors was then taken up. Slips containing the names of the gentlemen who were willing to stand for election were distributed and the following gentlemen who obtained the highest number of votes were elected to the Directorate of the Bank for the year 1931-32 :—

1 Mr. S. Venkatakrishnaiya, B.A.,B.L., Bangalore
2 ,, B. Kempanna, Bangalore
3 ,, B. Rama Rao Bapat, Sagar
4 ,, H. Venkataramaiya, B.A.,B.L., Tumkur
5 Fakhr-ul-Hukuma
Dr. B. Mahomed Usmon, L.M.S., Bangalore
6 Mr. S. Sajjan Rao, Bangalore
7 ,, K. Rayappa, Kunigal
8 ,, M. S. Ramachandra Rao, B.A.,B.L., Bangalore
9 ,, Shop Sidde Gowda, Saklespur

Messrs. A. V. Suryanarayana Setty, B. Ramaswamiah and B. Gopalachar having obtained an equal number of votes, lots were cast among them. Messrs. B. Ramaswamiah, B.A., LL.B., and B. Gopalachar were declared successful.

9. Before closing the Proceedings, the President thanked the members of the old Board of Directors for the hearty co-operation and help which they had always given him in the working of the Bank. While greatly

appreciating the disinterestedness of Mr. Chickchennanjappa Setty, in offering to make room for a representative of a Society, he regretted his retirement from the Directorate. He hoped that Mr Chickchennanjappa Setty as also the other retiring Directors though no longer on the Directorate would continue to take the same interest in the Bank and its work. He expressed his obligations particularly to the members of the Executive Committee Messrs. S. Venkatakrishnaiya, B. Kempanna, S. Sajjan Rao and H. Venkataramaiya, for their valuable advice and suggestions in the disposal of loan applications and said that but for their help and guidance, the speedy and satisfactory disposal of the loan applications would have been impossible He finally thanked the Deputy Registrar Mr. E. V. Ganapati Iyer for his whole-hearted co-operation and the Registrar Mr. K. H. Ramayya for the great sympathy and support that he always received at his hands. He also offered his thanks to the Government of His Highness the Maharaja of Mysore for their very generous and continued support to the Bank, but for which it would not have been possible to work the Bank on sound and satisfactory lines. He concluded by thanking the Secretary and the Staff of the Bank for the good work that they had turned out during the year.

10. Mr. S. Narayana Rao proposed a hearty vote of thanks to the President for the able and patient manner in which he had conducted the proceedings of the meeting. He thanked the President for the very able management of the infant institution and hoped that he would continue to manage the Bank with equal success for many years to come.

Mr. V. R. Chickchennanjappa Setty then thanked the President, the Registrar and the Deputy Registrar for having set the institution working on sound lines and he hoped that the next Board also would try to work the institution successfully. He concluded by praying for long life to His Highness the Maharaja and His family.

After the giving of three lusty cheers to Their Highnesses the Maharaja and the Yuvaraja and also to the President, as proposed by Mr. K. H. Ramayya, the meeting terminated at 12-30 P.M.

K. R. SRINIVASAIENGAR,

President.

THE MYSORE

CO-OPERATIVE LAND MORTGAGE BANK LTD.,

BANGALORE CITY.

Notice dated 25th November 1931.

The Second Annual General Meeting of the Bank will be held in the premises of the Bank, 1-2, Albert Victor Road, Chamarajapet, Bangalore City, at 8-30 A.M., on Sunday the 6th December 1931 to transact the following business:—

1. Adoption of the Directors' Report and the audited Balance Sheet and Accounts for the year ending 30th June 1931.
2. Election of Directors.
3. Appointment of an Auditor and fixing the remuneration payable to him.
4. Consideration of the appended amendments to the bye-laws of the Bank.

Society members of the Bank are requested to intimate beforehand the names of their representatives deputed to attend the meeting.

BY ORDER,
M. A. Srinivasiengar,
Secretary.

Note:—Attention is invited to revised Bye-law No. 8 according to which a person shall be deemed to have become a member and acquired all the rights and liabilities of a member only after he shall have paid the full value of one or more shares to the Bank.

Amendments proposed to be made in the bye-laws:

I *Bye-law No. 39:* Add the following at the end of the first sentence, changing the existing full stop into a comma:—"and shall be accompanied by such fee, not exceeding 1% of the loan applied for, as may be prescribed by the Board of Directors from time to time, for meeting the investigation charges."

II For the existing clause (iii) of Bye-law 53, substitute the following:

"the balance, if any, may be utilised for the formation of a dividend equalisation fund, staff provident fund, common good fund, the grant of rebates to members who have been punctual in discharging their liabilities to the Bank and such other purposes as may be conducive to the progress and well-being of the Bank; or carried forward to the following year's profit account."

III *Bye-law No. 92:* For "one month" substitute "three months"

THE MYSORE

CO-OPERATIVE LAND MORTGAGE BANK LTD.,

BANGALORE CITY.

(Registered on 25th November 1929)

OFFICE

No. 1-2, Albert Victor Road, Chamarajapet, Bangalore City.

Authorised Capital (made up of 10,000 shares of Rs. 50 each) ...	Rs.	5,00,000	0	0
Subscribed share capital (1,266 shares)	„	63,300	0	0
Paid up share capital ...	„	37,712	12	2
Debenture capital subscribed ...	„	2,32,700	0	0
Reserve Fund ...	„	600	0	0

PRESIDENT

Rajasabhabhushana Mr. K. R. Srinivasiengar, M.A.,
Retired Member of Council.

MEMBERS

1. The Revenue Commissioner in Mysore.
2. Mr. S. Venkatakrishnaiya, B.A., B.L.,
   Retired District Judge, Bangalore.
3. „ B. Kempanna, Pleader, Bangalore.
4. „ S. Sajjan Rao, Merchant, Bangalore.
5. „ M. Hariyanna, Merchant, Bangalore.
6. Fakhr-ul-Hukuma Dr. B. Mahomed Usmon, L.M.S.,
   Retired Senior Surgeon, Bangalore.
7. „ H. Venkataramiah, B.A., B.L., Advocate,

8. Mr. V. R. Chickacheinanjappa Setty, Merchant, Kolar.
9. ,, B. Rama Rao Bapat, Pleader, Sagar.
10. ,, Tudki Ramanna Gowda, Merchant, Thirthahalli.
11. ,, A. V. Suryanarayana Setty, Merchant, Arkalgud.
12. ,, Sylvester Pais, B.A., Coffee Planter, Kadur District.
13. ,, Asagodu Venkatanna Gowda, Land-holder, Hosakoppa.
14. ,, Shop Sidde Gowda, Merchant, Saklespur.

TRUSTEE

The Comptroller to the Government of His Highness the Maharaja of Mysore, Bangalore.

SECRETARY

Mr. M. A. Srinivasiengar, B.A.

THE MYSORE
Co-operative Land Mortgage Bank Ltd.,
BANGALORE CITY.

Report for the year 1930-31

1. The Board of Directors have great pleasure in placing before the members of the Bank this brief report of the working of the Bank during the year ending 30th June 1931, together with the audited Balance Sheet and other statements of accounts for the year.

Membership

2. During the year 64 new members were admitted and 301 fresh shares were allotted, while 237 persons ceased to be members of the Bank owing to the transfer of their shares to affiliated societies. Thus the total number of members on the rolls at the end of June 1931 was 529 and the number of shares taken up by them 1,266 distributed as follows :—

Taluk	No. of members	No. of shares
Koppa	60	156
Sagar	179	317
Manjarabad	149	322
Tumkur	61	268
Other places outside the area of operations of the Bank	80	203
Total	529	1,266

The total amount of share subscriptions actually received in respect of these shares amounted to Rs. 37,713. The share amounts had been paid in full on 447 shares while one or more instalments had yet to be paid in respect of the remaining 819 shares.

Debenture Capital

3. As stated at the last General meeting, a sum of Rs. 2,32,700 was raised from the first series of debentures floated by the Bank in April 1930, of which Rs. 1,32,700 was subscribed by the public and Rs. 1,00,000 by Government. With a view to save interest charges, the contribution of one lakh made by Government has not been drawn as the Government have kindly allowed it to be drawn and utilised from time to time as necessity arises. Out of the sum of Rs. 1,32,700 which was subscribed by the public and placed in the custody of the Comptroller as Trustee of the Bank, Rs. 66,000 was drawn and utilised by the Bank for disbursement of loans during the year and the remaining Rs. 66,700 was kept in the Government Savings Bank in the name of the Trustee.

Jurisdiction of the Bank

4. The loan operations of the Bank continued to be confined to the Taluks of Koppa, Sagar, Manjarabad and Tumkur. Ten local Land Mortgage Societies were formed and affiliated to the Bank in these Taluks during the year, covering their entire area,—3 in Tumkur Taluk, 3 in Manjarabad Taluk, 2 in Sagar Taluk and 2 in Koppa Taluk. Since the formation of these Societies, all loan transactions are being conducted only through them and no loan-applications from the abovementioned Taluks are entertained direct by the Bank.

Loan Cases

5. Inclusive of 163 loan applications that were pending at the beginning of the year, the total number of applications that had to be dealt with in the year was

268, of which 211 were received directly from individual members of the Bank and the remaining 57 were from members of affiliated Societies. In 40 cases, loans aggregating to Rs. 86,550 were sanctioned and 191 cases were rejected, leaving 37 applications for a total sum of Rs. 46,285 pending at the end of the year. Of the 40 cases that were sanctioned, 11 cases for a total sum of Rs. 12,050 related to Primary Societies and the rest to individual members of the Bank. The large percentage of rejections was due to the great scrutiny and caution that had to be exercised regarding the evaluation of the properties offered as security, the title of the applicants to the properties, the object of the loan and the repaying capacity of the applicants. Of the 40 cases that were sanctioned, 4 cases for a total sum of Rs. 10,750 had to be since cancelled as the parties concerned failed to act up to the conditions of sanction. The loan amount actually disbursed during the year was Rs. 66,000 in 24 cases, the payment in the other sanctioned cases being delayed pending the receipt of the necessary documents from the parties.

Recovery of the Loans

6. The first instalment amounting to Rs. 2,286 towards the repayment of the loans issued by the Bank fell due in April in 15 cases. Out of this, Rs. 1,296 was recovered during the year, of which a sum of Rs. 293 credited in Treasuries could not be brought on our accounts for the year as it was received from the Comptroller after the close of the year. A further sum of Rs. 657 has been since recovered up to the end of October 1931, leaving a balance of Rs. 333 due in 3

cases. Considering the abnormal and unprecedented economic and agricultural depression during the year the collections may be considered to be satisfactory.

Meetings

7. 4 meetings of the Board and 13 meetings of the Executive Committee were held during the years in addition to the statutory general meeting that came off on 1st March last.

Government Help

8. Though Government had promised in their order No. G. 6941/L.M. 14-29-1 dated 4-12-1929 to meet the working expenses of the Bank only for a period of two years, *i.e*, the entire expenses upto a maximum of Rs. 15,000 during the first year and ⅔rds of the expenses subject to a maximum of Rs. 10,000 for the second year, they were pleased, on a representation made by the Bank, to sanction a grant of Rs. 21,000 to meet the entire expenses of the Bank for the first 19 months of its working up to the end of June 1931, and also to order a further grant of Rs. 11,000 to be made towards the expenses of the current official year (1931-32).

Audit of Accounts

9. The accounts of the Bank for the year ending 30th June 1931 were audited by Mr. S. R. Mandre, M.A., B.Com., Incorporated Accountant (Lond.). The statements of the accounts for the year as passed by the auditor are appended to this report.

10. Though the working expenses of the Bank was entirely borne by Government, the profits for the year amounted to only Rs. 20-14-8 due to the fact that

a large sum amounting to Rs. 6,067 had to be paid towards interest on the debenture bonds issued by the Bank, while the major portion of the amount raised by the debentures remained unutilised. Adding this to the balance of Rs. 386-12-1 brought forward from last year, the total net profits come to Rs. 407-10-9. It is proposed that a sum of Rs. 200 out of this may be added on to the Reserve Fund of the Bank and the Balance carried forward to the current year's account.

Amendments to Bye-laws

11. The amendments of Bye-laws of the Bank referred to in Resolutions Nos. 7 and 18 of the last General meeting have been sanctioned by Government. The operations of the Bank having been recently extended by Government to the Taluks of Shimoga, Chickmagalur, Hassan and Kunigal and the Sub-Taluks of Alur and Narasimharajapura, the Co-operative Department is taking steps to start local societies in these Taluks.

Bank's Staff

12. The Government have, as a measure of retrenchment, made a considerable reduction in the pay and allowances of the two Valuators attached to the Bank; and they have been pleased to allow the investigation of loan applications and other works of the Bank in the Taluks for which there may be no Valuators to be entrusted to the Inspectors of Co-operative Societies concerned. The total expenses of the Bank for the current year as approved by Government are estimated at Rs. 13,000 as detailed in the appended statement. Of this, Rs. 11,000 will be contributed by Government

as already stated in para 8, and the balance has to be met by the Bank from its own resources.

General

13. During the year under report, His Highness the Yuvaraja Sir Sri Kantirava Narsimharaja Wadiyar Bahadur was graciously pleased to visit the Bank and to make detailed enquiries about its working. His Highness the Maharaja of Travancore who was staying in Bangalore for administrative training was also graciously pleased to visit the Institution.

Our popular Dewan, Amin-ul-mulk Sir Mirza M. Ismail, Kt.,C.I.E.,O.B.E., also kindly visited the Bank on 17th March 1931.

Among other distinguished visitors to the Bank since the last annual meeting may be mentioned Dewan Bahadur M. Ramachandra Rao Pantulugaru, President of the Madras Co-operative Central Land Mortgage Bank, and Sir Lallubhai Samaldas of Bombay, both of whom evinced keen interest in the working of the Bank as compared with that of similar institutions in their respective Presidencies.

14. In conclusion, the Board desire to express again their humble gratitude to Their Highnesses the Maharaja and the Yuvaraja for the paternal interest they have been evincing in the working of the Institution; and to the Government for their generous support, but for which it would not be possible for the Bank to make any head-way towards further development.

Statement showing the estimated expenditure for the year 1931—32

No.	Expenditure heads	Estimated expenditure
1	Direction charges	Rs. 2,500
2	Valuation charges	„ 4,000
3	Office charges	„ 4,000
4	Taxes, rents & repairs Etc.	„ 500
5	Stationery & Printing	„ 1,500
6	Grants to primary Societies	„ 500
		Total Rs. 13,000

Profit and Loss Account for the year 1930—31

LOSS		Rs.	A.	P.	PROFIT		Rs.	A.	P.
To Interest on Debenture Loans	...	2,599	4	10	By Interest on loans	...	904	14	3
Debenture interest payable	...	3,467	8	0	Interest on investments	...	990	15	1
General Meeting expenses	...	178	10	0	Interest on Fixed Deposit (accrued)		49	5	0
	...	6,245	6	10	Interest on loans accrued	...	1,117	0	0
To net profits	...	20	14	8	Interest accrued on deposit with Trustee		2,956	8	8
					Share Fees	...	80	4	0
					Admission Fees	...	97	0	0
					House Rent	...	64	13	6
					Petty receipts	...	5	9	0
TOTAL Rs.		6,266	5	6	TOTAL Rs.		6,266	5	6

Examined and found correct.

S. R. MANDRE, M.A., B. Com.
Incorporated Accountant (London).

BY ORDER,
M. A. SRINIVASIENGAR,
Secretary.

Statement of Receipts & Expenditure for the year 1930-31

RECEIPTS

		Rs. as. ps.	Rs. as. ps.
1	Government Grant ...	13,500 0 0	
2	Debenture Subscription ...	1,25,200 0 0	
3	Admission Fees ...	97 0 0	
4	Share Fees ...	80 4 0	
5	Share Subscription ...	17,140 4 2	
6	Default interest on share instalments...	152 1 7	
7	LOAN INSTALMENTS :		
	a Towards principal Rs. 136-10-6		
	b Towards interest „ 866-0-0...	1,002 10 6	
8	Interert on loans ...	38 14 3	
9	Penal interest on loan instalments ...	2 8 1	
10	House rent ...	64 13 6	
11	Interest on investment ...	990 15 1	
12	Petty receipts ...	5 9 0	
13	Suspense ...	2,473 3 7	
			1,60,748 3 9
14	Fixed deposit received back ...	15,000 0 0	
15	Advances recovered ...	351 15 3	
			15,351 15 3
16	WITHDRAWALS FROM BANKS:		
	(1) Mysore Bank Head Office ...	35,645 2 8	
	(2) do Sagar Branch ...	3,497 4 9	
	(3) do Tumkur Branch...	2,538 5 1	
	(4) Apex Bank ..	10,933 14 8	
	(5) do Secretary's account..	193 13 8	
	(6) City Co-operative Society ...	1,078 10 6	
	(7) Trustee's Account ...	66,023 11 1	
			1,19,910 14 5
	Cash opening Balance ...	0 10 0	0 10 0
	TOTAL RS ...		2,96,011 11 5

EXPENDITURE

		Rs. as. ps.	Rs. as. ps.
1	Direction ...	1,876 3 0	
2	Office establishment ...	3,199 1 2	
3	VALUATION .		
	a Salaries Rs. 3795-12-10		
	b T. A. „ 1540-8-0		
	c Contingencies „ 639-1-6 ...	5,975 6 4	
4	Furniture ...	1,104 6 6	
5	Stationery & Printing ...	1,492 13 9	
6	Advertisement ...	208 1 0	
7	Rents, Rates & Taxes ...	531 12 0	
8	Library ...	153 12 3	
9	Reading Room ...	79 2 0	
10	Postage ...	197 12 6	
11	Grants to Primary Societies ...	399 0 0	
12	Petty expenses ...	46 10 8	
			15,264 1 2
13	Debenture interest ...	2,599 4 10	
14	General Meeting ...	178 10 0	
15	House Property ...	8,827 15 6	
16	Loans issued ...	66,000 0 0	
17	Refund of share amount ...	10 0 0	
18	Investments *i. e.*, in the fixed deposits in Mysore and Apex Banks ...	20,600 0 0	
19	Suspense ...	5,933 12 1	
20	Advances ...	994 7 3	
			1,05,144 1 8
21	DEPOSITS IN BANKS :		
	(1) Mysore Bank Head Office ...	28,554 7 6	
	(2) do Sagar Branch ...	3,631 9 7	
	(3) do Tumkur Branch...	2,700 0 0	
	(4) Apex Bank ...	13,161 5 5	
	(5) do Secretary's account...	190 0 0	
	(6) City Co-operative Society ...	1,362 11 9	
	(7) Trustee's account ...	1,26,001 3 11	
			1,75,601 6 2
	Closing Cash Balance		2 2 5
	TOTAL Rs. ...		2,96,011 11 5

Examined and found correct.

Sd. S. R. MANDRE, M.A., B. Com.,
Incorporated Accountant (London).

BY ORDER ,,
Sd. M. A. SRINIVASIENGAR,
Secretary.

Balance Sheet as on 30th June 1931

LIABILITIES

		Rs. as. ps.		Rs. as. ps.
	Authorised share capital		...	5 00,000 0 0
	Share capital issued		...	5,00,000 0 0
	Capital subscribed (1266 shares of Rs. 50 each)		...	63,300 0 0
1	Paid up share capital received on 1266 shares of Rs. 50 each		...	37,712 12 2
2	Reserve Fund ...	600 0 0		
	Add penal interest received during the year ...	154 9 8	...	754 9 8
3	Furniture Fund (Appropriations from Government Grant) as per last Balance Sheet ...	1,238 15 6		
	Add this year's additions ...	1,114 13 3	...	2,353 12 9
4	Library Fund (Appropriations from Government Grant) as per last Balance Sheet ...	66 2 6		
	Add this year's additions ...	153 12 3	...	219 14 9
5	Debenture Subscriptions		...	1,32,700 0 0
6	Debenture interest payable		...	3,467 8 0
7	Suspense account (unadjusted receipts)		...	466 5 3
8	Balance of Government Grant		...	73 9 4
9	Profits as per last Balance Sheet ...	985 12 1		
	Less amount transferred to Reserve Fund...	600 0 0		
		385 12 1		
	Add this year's profits as per Profit and Loss Account ...	20 14 8	...	407 10 9
	TOTAL Rs.			1,78,156 2 8

ASSETS

		Rs. as. ps.		Rs. as. ps.
1	With Banks in current Deposits & Cash		...	7,944 8 7
2	Deposit with Trustee		...	67,477 8 10
3	Fixed Deposits		...	20,600 0 0
4	Loan advanced less returns		...	65,863 5 6
5	Advances recoverable		...	722 8 0
6	Interest recoverable on loans		...	1,117 0 0
7	Interest accrued on Deposit with Trustee		...	2,956 8 8
8	Interest accrued on Fixed Deposits		...	49 5 0
9	Bank's Premises		...	8,827 15 6
10	Furniture as per last Balance Sheet ...	1,238 15 6		
	Additions this year ...	1,114 13 3	...	2,353 12 9
11	Library as per last Balance Sheet ...	66 2 6		
	Additions this year ...	153 12 3	...	219
12	Suspense		...	23
	TOTAL Rs.		...	1,78,156 2 8

I have examined the above Balance Sheet with books and vouchers and have obtained all the information and explanations required. Mortgage deeds and documents relating thereto could not be checked as they were found to have been lodged with the Trustee. Subject to the above, the Balance Sheet, in my opinion, exhibits a true and correct view of the state of affairs of the Bank as on 30th June 1931 according to the best of my information and the explanations given to me and as shown by the books of the Bank.

BANGALORE,
30th July '31.

S. R. MANDRE, M.A., B. Com.,
Incorporated Accountant (London.)

BY ORDER
M. A. SRINIVASIENGAR,
Secretary.

(1)

No. 7747-2./5

Telegraphic Address: "CO-PERT" BANGALORE

DEPARTMENT OF CO-OPERATION
GOVERNMENT OF MYSORE

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Dated, Bangalore, 28th April *1932*

L.R. 2-31-9

D 4156

GEN. & REV. SECRETA
(APR 2
DEVELOPMENT BRANC

H. RAMAYYA, ESQ., B.A., BAR-AT-LAW,
REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE, BANGALORE.

DEVELOPMENT SECTION
30 APR 1932

The Secretary to Government,
Development Departments,
B a n g a l o r e.

Sir,

Subject:- Amendment of bye-law No.22 of the bye-laws of the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore.

I have the honour to enclose herewith for information copies of the marginally noted correspondence between myself and the President of the Land Mortgage Bank relating to the above, so as to permit refund of share amounts to members of the land Mortgage Bank in certain exceptional cases, and to recommend that in the circumstances stated by the President in h_ letter of 21st April 1932, sanction of Government may, under section 53 of the Mysore Co-operative Societies Amendment Regulation No.V of 1929 kindly be accorded to the amendment of bye-law No. 22 of the Bank as hereunder:-

1). Letter No. S.I. 105 dated 16-9-1931 and enclosure, from the President, Land Mortgage Bank.

2). Letter No.3401 C.S. dated 20-11-1931 from the Registrar of Co-operative Societies.

3). Letter No. S.I. 353 dated 24-2-1932 from the President, Land Mortgage Bank.

4). Letter No.6273 C.S. dated 6-3-1932 from the Registrar.

5). Letter No.S.I. 412 dated 21-4-1932 from the President.

Read the existing bye-law 22 as 22 (a) and add the following

"Not with standing anything contained above, the Board of - - Directors may, at their discretion, refund or otherwise advance at any time the share amounts paid by any member whose loan application has been rejected by the Bank either wholly or in part".

The words "who was induced to take up one or more shares in the expectation of getting a loan from the Bank and" occurring after the words "Member" in the amendment as proposed by the President in his letter No.353 dated 24-2-1932 are superfluous and have been omitted in the amendment proposed by me above, as the question of refund of share amounts is to be considered only in those cases in which a loan was actually applied for and not sanctioned by the Bank.

I request that early orders of Government may kindly be obtained in the matter.

I have the honor to be

S i r,

Your most obedient Servant

K H Ramaya

Registrar.

Copy of letter No.S.I. 412 dated 20th/21st April 1932 from the President Mysore Co-operative Land Mortgage Bank, Ltd., to the - Registrar of Co-operative Societies in Mysore, Bangalore.

With reference to your letter No.6273 C.S. dated 6th March 1932 in the matter of the proposed amendment of the bye-laws of the Bank so as to permit the refund of their share amounts to members of the Bank in certain exceptional cases, I have the honour to state that your letter under reply raises two issues viz., (1) whether it would not be enough if, as a special case, sanction is accorded to the refund of share amounts in the case of certain members to be named - - individually, who had taken shares in the Bank prior to 1st July 1931 in the expectation of getting a loan but could not get it and (2) whether, even if the bye-laws have to be revised, it would not be desirable to restrict the exercise of the discretion of the Board of Directors in the matter of refund, only to shares allotted prior to 1st July 1931 in view of the facts that

(a) persons desirous of getting loans need no longer take up shares in the Bank, local societies - having been constituted for all areas included in the Bank's lending operations;

(b) share amounts are now payable in a lump sum under the revised bye-law No.25; and

(c) persons desirous of becoming members of the Bank are clearly made to understand before-hand that no loans are guaranteed by the Bank and that share amounts will not be allowed to be withdrawn except as authorised by the bye-laws.

2. With regard to the first point a list of persons whose claims for refund of share amounts (owing to the rejection of their loan applications) had till them come to notice had been prepared before the Bank's last general meeting as suggested in your letter

P. T. O.

letter No.3401 C.S. dated 20thNovember 1931, but as the loan applications of several persons eligible to refund under the terms of your letter had not been brought to disposal, the list was -- obviously incomplete. Further as the present bye-laws seem to prohibit absolutely the refund of share amounts except in the event of death, expulsion, insolvency, or permanent removal of residence of the person concerned from within the limits of the State, it was considered doubtful whether such refunds could be authorised even by the general body of members, in the absence of a provision for such refund in the bye-laws and accordingly bye-law No.22 was proposed to be amended suitably.

3. As regards the second point, I beg to point out that notwithstanding the revision already made of bye-law No.25 as pointed out by you, rare and exceptional cases may still arise in which members out of ignorance pay up their share amounts in the expectation of obtaining loans: and it may work as a great hardship to them if they are not given any relief. It is therefore desirable that in such cases, the Board should be authorised to sanction refund of the share amounts at its discretaion. I beg to submit that the Board may well be trusted to fully realise its responsibilities in this respect and not to lightly sanction such refunds(which are as they are well aware calculated to reduce the resources of the Bank) without the fullest scrutiny and without satisfying themselves about the real need for such relief in each case. A case of this kind from the Shimoga Taluk in which a person admitted to membership in September 1931 has been repeatedly claiming for refund of his share amount is now remaining undisposed with the Bank pending the proposed revision of the bye-laws. In the circumstances, I request you to be so good as to move Government to sanction the amendment of bye-law No.22 as suggested in my letter No.S.I. 353 dated 24th Feb. 1932.

Sd/K.R.Srinivasiengar.
PRESIDENT.

Copy of letter No.3401 C.S. dated 20-11-1931 from the Registrar of Co-operative Societies in Mysore, Bangalore to the President The Mysore Co-operative Land Mortgage Bank, Ltd. Bangalore.

With reference to your letter No.105 dated 16th September 1931 requesting that the Board of Directors of the Bank may be authorised to refund at their discretion or otherwise adjust the value of the share or shares taken up by the members of the Bank in cases in - - which their loan applications have been either rejected or not - - sanctioned in full, I have the honour to state that the hardships represented may be held to be legitimate only in the case of those persons who obtained shares and became members of the Land Mortgage Bank directly before the local land mortgage societies were constituted. In view of the specific prohibition contained in bye-law No. 22 of the byelaws of the Bank against withdrawal from membership before the expiry of 10 years and in view of the fact that under bye-law No.17 (b) the liabilities of the Bank may not exceed 12 times the subscribed share capital plus reserve fund, it is not desirable ordinarily to allow complete refund of the share amount in every case in which loan applications have been rejected or not sanctioned in full. In view of the circumstances represented in your letter, share amounts in excess of the value of one share may, therefore, at the discretion of the Boardof Directors, be refunded to or -- adjusted on behalf of the members according as the circumstances may require. In exceptional cases, where the circumstances justify it, the full amount paid may be refunded. In the case of all members whose shares have been transferred to the Land mortgage societies by the Bank, the refund may be made through the societies who may be instructed to persuade the members concerned to take one share at least in the land mortgage society in place of the share of the Land Mortgage Bank refunded. As this action will mean a slight modification from the provisions of the existing byelaw, I request that a list of such cases of refund may be made by the Board

by the Board and placed before the next meeting of the General Body for formal approval and their resolution forwarded to me.

Sd/. K.H.Ramayya.
Registrar.

****

K H Ramayya

Copy of letter No. S.I. 105 dated 16-9-1931 from the President Mysore Co-operative Land Mortgage Bank, Ltd., to the Registrar of Co-operative Societies in Mysore Bangalore.

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In forwarding herewith a copy of Resolution No.10 recorded at the meeting of the Board of Directors of the Bank, held on the 5th September 1931, in the matter of refunding to members, the -- amounts that were paid by them in respect of the shares taken up by them under certain circumstances, I have the honor to state that it is understood that a good many persons were induced to take up shares in the Bank on the hope held out to them that they would get the the loans they wanted. Further, when the proportion of the loan allowable to a member was fixed at 16 times the share capital paid up by him under the amended bye-law No.42 (3), the Bank was, in respect of applications for loans, insisting for sometime on the applicants' taking up the maximum amount of shares required to make them eligible for the loans asked for by them, before the -- applications could be taken up for consideration. As many of the loan applications had to be rejected owing to the inadequacy of the security offered, defects in the title of the properties and other causes, the applicants have been praying for the refund of the share amounts paid by them in the expectation of getting their loans as otherwise they would be put to considerable inconvenience, loss and trouble. As the Bye-laws of the Bank do not provide for the refund of share amount paid either wholly or in part, in such cases, the matter was considered at the meeting of the Board of Directors held on 5th September 1931, and it was resolved that with a view to give relief in such cases of real hardship, the Registrar be requested to authorise the Board to refund, at their discretion, the share or shares taken up by theapplicant for loans in these cases on applications made by them in this behalf.

I request that the resolution may be kindly approved.

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H H Ramaya
Registrar.

Proceedings of the Eleventh meeting of the Board of Directors held on Saturday the 5th September 1931.

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10. Resolved that in the case of members who applied for and took up shares in the Bank on the hopes held out to them of getting loans from the Bank, but then loan applications were subsequently either rejected or not sanctioned in full, owing to the inadequacy of the security offered by them or for other causes, the Registrar be requested to authorise the Bank to refund or otherwise adjust the valur of the shares either wholly or in part at the discretion of the Board.

" E x t r a c t "

Sd/K.R.Srinivasa Iyengar.

I R E S I D E N T;
Mysore Co-operative Land Mortgage Bank Ltd.,

" Copy "

Registrar.

Copy of letter No. S.I..353 dated 24th February 1932 from the President, The Mysore Co-operative Land Mortgage Bank, Ltd., to the Registrar of Co-operative Societies in Mysore, Bangalore.

Adverting to correspondence ending with your letter No.3401 C.S dated 20th November 1931 in the matter of the refund of their share amounts to persons who took up or were induced to take up shares in the Bank with a view to secure loans, I have the honor to state that, as suggested by you, the subject was placed before the General meeting of the Bank held on 6th December 1931 and it was unanimously resolved as follows:-

" That the Board of Directors of the Bank be authorised to refund or otherwise adjust the share amounts paid by such of the members of the Bank, who took up or were induced to take up shares in the Bank with the expectation of getting loans and who could not secure the loans required by them in whole or in part."

As observed by you in your letter referred to above, the above resolution, if approved will necessitate a slight amendment in Bye-law22 of the Bank. I request therefore that sanction of Government may be obtained for the amendment of this Bye-law as shown below:-

Read the existing Bye-law 22 as 22 (a) and add the following as 22 (b);-

" Notwithstanding anything contained above, the Board of Directors may, at their discretion, refund or otherwise adjust at any time the share amounts paid by any member who was induced to take up one or more shares in the expectation of getting a loan from the Bank and whose loan application was rejected either wholly or in part."

2. I may add that in sanctioning the refund, the Board will bear in mind the suggestion made by you that, as far as possible

P. T. O.

as possible and otherwise than in exceptional cases, at least one share should be retained by the Bank and only the value of the remaining shares refunded to the applicants.

Sd/KK.R.SRINIVASIENGAR.
P R E S I D E N T.

****

Registrar.

Copy of letter No. 6273 C.S. dated 6-3-1932 from the Registrar of Co-operative Societies in Mysore, Bangalore, to the President, The Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore.

With reference to your letter No.SI. 353 dated 24th February 1932 regarding the amendment of the existing byelaw No.22 of the byelaws of the Bank so as to allow of refund of share amounts being made by the Bank, I have the honour to state that in this office letter No.3401 C.S. dated 20th November 1931 no amendment of the byelaw was contemplated; but a statement of the cases in which refund may be allowed was proposed to be placed before the General Body for approval, as refund was not strictly admissible under the byelaw.

As indicated in this office letter referred to above, the refund of share amounts in exceptional cases might be necessary only in the case of those persons who obtained shares and became members of the Land Mortgage Bank in the initial stages before the local land mortgage societies were constituted. But the amendment now proposed by you does not specifically make clear such restriction. According to byelaw No.25 of the Bank's byelaws as recently modified by Government, share amounts due by members are payable in full on allotment. Further, it is learnt that persons desiring to join the Bank newly as members are clearly given to understand that no loans are guaranteed by the Bank and that share amounts will not be allowed to be withdrawn except as authorised by the byelaws. In these circumstances, it is not likely that in future any inconvenience will be caused to any members of the Bank, and therefore no amendment of the existing byelaw appears to be necessary.

If, however, you consider that in the cases of persons who joined the Bank in the beginning and in whose cases refund might be allowed, an amendment of the byelaw is necessary, the amendment may be in the following form:-

"22 B. Notwithstanding any thing contained above, the Board of Directors may, at their discretion, <u>in the case of shares - - allotted prior to 1st July 1931</u>, refund or otherwise adjust at any

P. T. O

at any time the share amounts paid by any member whose loan application has been rejected by the Bank either wholly or in part."

You will observe that this amendment is in accordance with the amendment to byelaw 25 recently made.

I request you to let me know if you are agreeable to the above amendment.

A list of the cases of refund made by the Bank hitherto may also be kindly forwarded as already requested.

Sd/ K.H.Ramayya.
Registrar.

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K.H.Ramayya
Registrar, Co-operative Societies
in Mysore.

G.R.S. App. F VI—G 2]

Passed no. 43

SUBJECT .....

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Diary No. of letter replied to .....

Section L. M

File No. 2-31

Serial No. 12

General and Revenue Secretariat

( )

the *193*

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 9/7/ 1932.

Signed by Mr B. Muddukrishnappa

Read— Letter no 7767 d 28/29-4-3 from the Regr of Cs. recommending the Resolution of the Board of Direcs of the L. M. Bank & provide for the refund of share amounts to members of the L. M. Bank in certain exceptional cases.

Order thereon.—No. and requesting sanction for the necessary amendment of Bye law 22 of the Byelaws of the L. M. Bank.

Order no: D. 134-6

Under section 53 of the Mysore C. S. Regn. VII of 1918 as amended by Regn V of 1929

May this be—

(i) printed ? No

(ii) treated as a standing order ? No

(iii) published in the Gazette, English Part ? No

(iv) translated ? No

(v) placed at the disposal of the press ? No

(vi) published in the Gazette, Kannada Part ? No

Govt. are pleased to make the following modification in the Byelaws of the Mysore Cooperative Land Bank issued with G.O. No. G. 5927-81 L.M. 4-29-3 of 11.11.29.

Read the existing Byelaw 22 as ~~The following shall be substituted~~ for Byelaw 22 (a) and add the following as 22 (b):—

"22 (b). Notwithstanding anything contained above, the Board of Directors may, at their discretion, refund or otherwise adjust at any time the share amounts paid by any member whose loan application has been ~~registered~~ rejected by the Bank either wholly or in part".

List of Enclosure.

5/7

19/10/32 Dev. Secy.

2 The Regr. of Cs.

R.C. in Regr.

Pres. L.M. Bank.

Copied by

Examined by

S. O.

Government of his highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

G. O. No. D. 134-6—L. M. 2-31-12, dated 9th July 1932.

The Bye-laws of the Land Mortgage Bank.

Directs certain modifications in ——.

READ—

Letter No. 7767, dated 28th—29th April 1932, from the Registrar of Co-operative Societi recommending the Resolution of the Board of Directors of the Land Mortgage Bank to provide for t refund of share amounts to members of the Land Mortgage Bank in certain exceptional cases a requesting sanction for the necessary amendment of Bye-law 22 of the Bye-laws of the Land Mortga Bank.

ORDER No. D. 134-6—L. M. 2-31-12, DATED BANGALORE, THE 9H JULY 1932.

Under Section 53 of the Mysore Co-operative Societies Regulation VII of 1918 as amended by Regulation V of 1929, Government are pleased to make the following modification in the Bye-laws of the Mysore Co-operative Land Mortgage Bank issued with Government Order No. G. 5927-8—L. M. 4-29-3, dated 11th November 1929.

Read the existing Bye-law 22 as Bye-law 22 (a) and add the following as 22 (b):—

"22(b). Notwithstanding anything contained above, the Board of Directors may, at their discretion, refund or otherwise adjust at any time the share amounts paid by any member whose loan application has been rejected by the Bank either wholly or in part."

D. SRINIVASA IYENGAR,
Secretary to Government,
Development Department.

To—The Registrar, Co-operative Societies in Mysore.
The Revenue Commissioner in Mysore.
The President, Land Mortgage Bank.

Lxd.—P. S. R. N.

WD 81—GPB—335—12-7-32

LM2-31-13

G. R. S. App F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

Notification No.

No: D. 137 Dated 9/7/32.

In exercise of the powers conferred on them by Sec. 63 of the Mysore C. S. Regn. VII of 1918 as amended by Regn. V of 1929, the Govt. of H.H. the Maharaja of Mysore are pleased to make the following modification in the Byelaws of the Mysore Cooperative L. M. Bank issued with Notification No 9592/L.M. 4-29-4 of 11.11.29.:—

Read the existing byelaw 22 as 22(a) and add the following as 22(b).

"Notwithstanding anything contained above, Board of Directors, May

WD 0327—GPB—12,500—18-5-32

at their discretion, refund
or otherwise adjust as any
ive the share amounts
aid by any member whose
loan application has been
rejected by the Bank either
wholly or in part

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5/7
19/5/32 Deo. Secy -

To the Compiler M.Q. for Publicat

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

General and Revenue Secretariat,

No. D. 137/L.M. 2-31-13

Dated, Bangalore, 7th July *193* 2.

NOTIFICATION.

In exercise of the powers conferred on them by Section 63 of the Mysore Co-operative Societies Regulation VII of 1918 as amended by Regulation V of 1929, the Government of His Highness the Maharaja of Mysore are pleased to make the following modification in the Bye-Laws of the Mysore Co-operative Land Mortgage Bank issued with notification No.G.5929/L.M. 4-29-4, dated 11th November 1929:-

Read the existing Bye-Law 22 as 22(a) and add the following as 22(b):-

"Notwithstanding anything contained above, the Board of Directors may at their discretion, refund or otherwise adjust at any time the share amount paid by any member whose loan application has been rejected by the Bank either wholly or in part."

By Order,

For Secretary to Government,
Development Department.

To

The Compiler, Mysore Gazette, for publication.

Aga/6.